

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 7525

BILL NUMBER: HB 1623

NOTE PREPARED: Jan 26, 2005

BILL AMENDED:

SUBJECT: Medicaid Waiver Claims and ICLB Approval.

FIRST AUTHOR: Rep. Becker

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: X GENERAL
DEDICATED
X FEDERAL

IMPACT: State

STATE IMPACT	FY 2005	FY 2006	FY 2007
State Revenues			
State Expenditures		\$10.3 M	
Net Increase (Decrease)		(10.3 M)	

Summary of Legislation: This bill requires the Office of Medicaid Policy and Planning to waive the filing deadline for resubmission of Medicaid claims submitted by a provider of Medicaid waiver services and group home services that merged with or acquired another Medicaid waiver provider or that was acquired by another provider of Medicaid waiver services in a change of ownership transaction.

The bill requires the Bureau of Developmental Disabilities Services (Bureau) to approve and pay claims for services provided under Individual Community Living Budgets (ICLBs) that were denied because the ICLB had not been approved or denied by the central office of the Bureau and had been previously signed by the district office of the Bureau.

Effective Date: Upon passage.

Explanation of State Expenditures: *Summary:* This bill is estimated to have a total fiscal impact of \$10.3 M in state General Funds, as described below.

Medicaid Waiver Services: This bill would require the Office of Medicaid Policy and Planning (OMPP) to waive regulatory time lines for resubmission of disputed claims and pay a specific provider for claims submitted between December 31, 1997, and before January 1, 2004. The bill specifies that the claims originally submitted within the time required from the date of service (one year), and were denied or the amount of payment was disputed and the required subsequent resubmissions of the disputed claims were not made within the 60-day period of time allowed by the Office's regulations should be either paid or denied for a reason other than untimely submission. OMPP reports that the amount of claims in dispute is \$2.1 M.

The level of fiscal impact would ultimately depend upon the results of the reprocessing of these claims which have been, by definition, denied for payment at least once. It is anticipated that the Centers for Medicare and Medicaid Services (CMS) would probably not approve payment of the federal share of the claims under these circumstances. If they do not, the state would assume the full cost of the provision with state General Fund dollars.

The Medicaid Program is jointly funded by the state and federal governments. If federal financial participation was available under these circumstances, the federal share would be about 62%, while the state share of program expenditures would be approximately 38%.

Individual Community Living Budget (ICLB) Services: The bill also would require the Bureau of Developmental Disabilities Services to pay claims denied because the original individual community living budget was not approved under certain circumstances. The bill specifies that ICLBs with dates of service from December 31, 1997, to December 31, 2004, shall be considered to be approved by the Bureau. The Bureau reports that the amount of claims known to be in dispute is at a minimum \$8.2 M. This amount does not include approximately 18 months of claims data that is covered under the bill and not on the Bureau's current claims processing system. The fiscal impact could also be increased by claims for services that have never been billed to the Bureau since the bill specifies that all ICLBs for the period of time between January 1, 1998, and December 31, 2004, shall be considered to be approved by the Bureau. ICLB claims are paid with all state dollars.

The bill specifies that the Bureau must accept the claims and pay them or deny them on some other basis than the approval or denial of the original ICLB within 90 days of the effective date of the bill. The administrative cost of complying with this provision is unknown at this time. The final fiscal impact of this provision will ultimately depend upon the results of the reprocessing or processing of these claims

Explanation of State Revenues: See *Explanation of State Expenditures* regarding federal reimbursement in the Medicaid Program.

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: Office of Medicaid Policy and Planning and the Division of Disability, Aging, and Rehabilitative Services, Family and Social Services Administration.

Local Agencies Affected:

Information Sources: Pat Casanova, Director of Waiver Services, 317-234-2182.

Fiscal Analyst: Kathy Norris, 317-234-1360.